

BY - LAW NO. 1

A BY - LAW RELATING TO THE TRANSACTION  
OF THE GENERAL BUSINESS AND AFFAIRS OF

-----  
(insert company name)

BE IT ENACTED and it is hereby enacted as a by - law of

----- as follows:

(insert company name)

PART 1  
INTERPRETATION

1. In this By - Law and all other By - Laws and Resolutions of

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(insert company name)

"Act" means the Business Corporations Act R.S.N.B. 1973 Ch.B -9.1 as amended from time to time or any act that may hereafter be substituted therefore;

"Articles" means the original or restated articles of incorporation , articles of amendment, articles of amalgamation, articles of continuance, articles of reorganization, articles of dissolution, articles of revival, letters patent, supplementary letters patent and a Special Act and any amendments thereto;

"By-laws" means the by-laws of the Corporation;

"Corporation" means the body corporate incorporated or continued under the Act or to which the Act applies and not discontinued under the Act, namely

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(insert company name)

"Director" means a person occupying the position of director of the Corporation;

"Directors" and "Board" means the board of directors of the Corporation;

"Shareholder" or "Shareholders" means a shareholder or the shareholders of the Corporation and includes the personal representative of a shareholder;

"Shareholders' Meeting" means and includes the annual meeting of Shareholders of the Corporation, a special meeting of Shareholders of the Corporation, or a meeting of any class or classes of Shareholders of the Corporation;

"Registered office" means the office of the Corporation located in New Brunswick in the place and at the address specified in the notice most recently filed under section 17 of the Act;

"Resolution" means a resolution of the Directors or Shareholders of the Corporation

Words importing the singular number only shall include the plural and vice-versa; words importing the masculine gender shall include the feminine and neuter genders; words importing persons shall include companies, corporations, partnerships and any number or aggregate of persons.

PART II

GENERAL

1. REGISTERED OFFICE The Directors may from time to time by

resolution fix the location of the Registered Office.

2. SEAL The Corporation may have a seal which shall be adopted, subject to change, by resolution of the Directors.

3. FINANCIAL YEAR The first financial year of the Corporation shall terminate on a date to be determined by the Directors and thereafter on the anniversary date thereof in each year, until changed by resolution of the Directors.

4. BANKING ARRANGEMENTS The banking business of the Corporation, or any part thereof, shall be transacted with such bank, trust company or other firm or corporation carrying on a banking business as the Directors may designate, appoint or authorize from time to time by resolution and all such banking business or any part thereof shall be transacted on the Corporation's behalf by such one or more officers and/or other persons as the Directors may designate, direct or authorize from time to time by resolution and to the extent therein provided, including, without restricting the generality of the foregoing, the operation of the Corporation's accounts; the making, signing, drawing, accepting, endorsing, negotiating, allotting, depositing or transferring of any cheques, promissory notes, drafts, acceptances, bills of exchange and orders for the payment of money; the giving of receipts for and orders relating to any property of the Corporation; the execution of any agreement relating to any banking business and defining the rights and powers of the parties thereto; and the authorizing of any officer of such banker to do any act or thing on the Corporation's behalf to facilitate such banking business.

5. EXECUTION OF INSTRUMENTS Deeds, transfers, assignments, contracts, obligations and other instruments in writing requiring the signature of the Corporation may be signed on behalf of the Corporation by the duly

authorized officers of the Corporation and the corporate seal may be affixed to such instruments as is required by the Corporation.

Notwithstanding any provisions to the contrary contained in the By-Laws, the Directors may at any time and from time to time by resolution direct the manner in which and the person or persons by whom any particular deed, transfer, assignment, contract, obligation, or other instrument in writing requiring signature by the Corporation may or shall be signed.

PART III  
DIRECTORS

1. Power of Directors. The business and affairs of the Corporation shall be managed by the Directors.

2. Number of Directors and Quorum. Subject to the Articles, the number of Directors shall be that number of Directors appointed by the incorporators or elected by the Shareholders from time to time within the minimum and maximum as

permitted by the Articles of whom \_\_\_\_\_ shall  
(insert number)

constitute a quorum for the transaction of the business at any meeting of the Directors. Notwithstanding vacancies, the remaining Directors may exercise all the powers of the Directors so long as the quorum of the Directors remains in office.

3. QUALIFICATIONS OF DIRECTORS Each Director shall be an individual of Nineteen (19) or more years of age and no individual, who

- (a) is of unsound mind and has been so found by a court in Canada or elsewhere;

- (b) is a person who is not an individual;
- (c) is a person who has the status of bankrupt; or
- (d) is a person convicted of an offense under the *Criminal Code*, chapter C - 34 of the Revised Statutes of Canada, 1970, or the criminal law of any jurisdiction outside of Canada
  - (i) in connection with the promotion, formation or management of a corporation, or
  - (ii) involving fraud; unless three years have elapsed since the expiration of the period fixed for suspension of the passing of sentence without sentencing or since a fine was imposed, or unless the term of imprisonment and probation imposed if any, was concluded, whichever is the latest, or unless a pardon has been granted;

shall be a Director. If a Director acquires the status of bankrupt, becomes of unsound mind or is so found, or is convicted of an offense involving fraud in connection with the promotion, formation or management of a corporation, he shall thereupon cease to be a Director.

4. ELECTION AND TERM OF DIRECTORS The Directors shall be elected yearly to hold office until the next annual meeting of the Shareholders or until their successors shall have been duly elected. The Directors shall be elected at each annual meeting and all Directors then in office shall retire, but, if qualified, are eligible for re-election. The election may be by a show of hands or by a resolution of the Shareholders unless a ballot be demanded by any Shareholder.

5. REMOVAL OF DIRECTORS The Shareholders may, by a resolution passed by a majority of votes cast at a special meeting, of which notice specifying the intention to pass such resolution has been given, remove any Director or

Directors from office before the expiration of his term of office, and may by a majority of votes cast at that meeting elect any person in his stead for the remainder of his term.

6. BOARD OF DIRECTORS VACANCIES Vacancies on the Board, except a vacancy resulting from an increase in the minimum number of Directors or from a failure to elect the minimum number of Directors required by the Articles, may be filled for the remainder of the term of office by qualified persons by the remaining Directors if they constitute a quorum. If there is not a quorum of Directors, or if a vacancy results from an increase in the minimum number of Directors required by the Articles, the Directors then in office shall forthwith call a special meeting of Shareholders to fill any vacancies and if they fail to call a meeting or if there are no Directors then in office, the meeting may be called by any Shareholder.

7. CALLING OF MEETINGS OF DIRECTORS Meetings of the Board shall be held from time to time at such place, at such time and on such day as the President or a Vice-President who is a Director or any Two (2) Directors may determine, and the Secretary shall call meetings when directed or authorized by the President or by a Vice-President who is a Director or by any Two (2) Directors. Notice of every meeting so called shall be given to each Director not less than Forty-Eight hours (excluding any part of a Sunday or Holiday as defined by the Interpretation Act of New Brunswick for the time being in force) before the time when the meeting is to be held save that no notice of a meeting shall be necessary if all the Directors are present, and do not object to the holding of the meeting, or if those absent have waived notice of or have otherwise signified their consent to the holding of such meeting.

8. REGULAR MEETINGS The Directors may appoint a day or days in

any month or months for regular meetings at a place and hour to be named. A copy of any resolution of the Board fixing the place and time of regular meetings of the Board shall be sent to each Director forthwith after being passed, but no other notice shall be required for any such regular meetings.

9. FIRST MEETING OF NEW BOARD Each newly elected Board may, without notice, hold its first meeting for the purpose of organization and the election and appointment of officers immediately following the meeting of the Shareholders at which such Board was elected, provided a quorum of Directors be present.

10. PLACE OF MEETING Meetings of the Board may be held at the Registered Office of the Corporation or at any other place within or outside New Brunswick.

11. PARTICIPATION BY TELEPHONE With the unanimous consent of all the Directors, a Director may participate in any meeting of Directors by means of such telephone or other communications facilities as permit all persons participating in the meeting to hear each other, and a Director participating in such a meeting by such means is deemed to be present at that meeting.

12. VOTES TO GOVERN At all meetings of the Board every question shall be decided by a majority of the votes cast on the question and in case of an equality of votes, the Chairman of the meeting shall be entitled to a second or casting vote.

13. REMUNERATION OF DIRECTORS The Directors or any individual Director of the Corporation shall be paid such remuneration as may be determined by the Board. Any remuneration so payable to a Director who is also an officer or any employee of the Corporation or who is counsel or solicitor to the Corporation or otherwise serves it in a professional capacity shall be, in addition to his salary as such officer, or his professional fees as the case may be. The Directors shall also be paid such sums in respect of their out-of-pocket

expenses incurred in attending Board, committee or Shareholders meetings or otherwise in respect of the performance by them of their duties as the Board may from time to time determine.

14. TRANSACTION OF BUSINESS BY SIGNATURE A resolution in writing signed by all the Directors entitled to vote on that resolution at a meeting of Directors is as valid as if it had been passed at a meeting of Directors duly called, constituted and held for that purpose.

15. ONE DIRECTOR Where the Corporation has only One (1) Director, the business and affairs of the Corporation shall be managed by such Director and all business which may be transacted at a meeting of the Board shall be transacted by such Director in the manner provided for in paragraph 14, Part III, hereof.

16. DECLARATION OF INTEREST Every Director or officer of the Corporation who is a party to a material contract or a proposed material contract for the Corporation or who is the Director or an officer of or has a material interest in any person who is a party to a material contract, or a proposed material contract with the Corporation shall disclose in writing to the Corporation or request to have entered in the minutes of meetings of Directors, the nature and extent of his interest. All such disclosures shall be made at the time required by the applicable provisions of the Act and Directors shall refrain from voting in respect of the material contract or proposed material contract if and when prohibited by the Act.

17. PROTECTION OF DIRECTORS AND OFFICERS No Director or officer of the Corporation shall be liable for the acts, receipts, neglects or defaults of any other Director or officer or for joining in any receipts or other acts for conformity or for any loss or expense happening to the Corporation through the insufficiency or deficiency of title to any property acquired by the order of the Board for or on behalf of the Corporation or for the insufficiency or deficiency of



any security in or upon which any of the monies of the Corporation shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person with whom any of the monies, securities or effects of the Corporation shall be deposited, or for any loss occasioned by the error of judgment or oversight on his part or for any loss, damage or misfortune whatever, which shall happen in the execution of the duties of his office or in relation thereto unless in or as a result of any action, suit or proceeding he is adjudged to be in breach of any duty or responsibility imposed on him under the Act or under any other statute.

18. INDEMNITY OF DIRECTORS AND OFFICERS The Corporation shall indemnify the Directors or officers of the Corporation, former Directors or officers of the Corporation or any person who acts or acted at the Corporation's request as a Director or officer of a body corporate of which the Corporation is or was a shareholder or creditor and his heirs and legal representatives against all costs, charges and expenses including an amount paid to settle an action or satisfy a judgment reasonably incurred by him in respect of any civil, criminal or administrative action or proceeding to which he has been made a party by reason of being or having been a Director or officer of such Corporation or body corporate if:

- (a) he acted honestly and in good faith with a view to the best interest of the Corporation; and
- (b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, he had reasonable grounds for believing that his conduct was lawful.

The Corporation shall also indemnify such Directors or officers who have been substantially successful in the defense of any civil, criminal or administrative action or proceeding to which he is made a party by reason of being or having been a Director or officer of the Corporation or body corporate against all costs,

charges and expenses reasonably incurred by him in respect of such action or proceeding; if such officer or Director is fairly and reasonably entitled to such indemnity.

19. INSURANCE FOR DIRECTORS AND OFFICERS The Corporation may purchase and maintain insurance for the benefit of any Director or officer against liabilities, costs, charges and expenses sustained or incurred by such Director or officer for failure to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

20. LOANS TO SHAREHOLDERS The Directors of the Corporation may from time to time give financial assistance by means of a loan, guarantee or otherwise:

- (a) on account of expenditures incurred or to be incurred on behalf of the Corporation;
- (b) to a holding body corporate if the Corporation is a wholly owned subsidiary of the holding body corporate;
- (c) to employees of the Corporation or any of its affiliates whether or not they

are Shareholders or Directors:

- (i) to enable or assist them to purchase or erect living accommodation for their own occupation; or
- (ii) in accordance with a plan for the purchase of shares of the Corporation or any of its affiliates to be held by a trustee; and
- (d) in any other case, unless there are reasonable grounds for believing that:
  - (i) the Corporation is or would after giving the financial assistance

- be unable to pay its liabilities as they become due; or
- (ii) the realizable value of the Corporation's assets

excluding the

amount of any financial assistance in the form of a loan and

in

the form of assets pledged or encumbered to secure a

guarantee

would, after giving the financial assistance, be less than the

aggregate of the Corporation's liabilities and stated capital of

all

classes.

#### PART IV

#### OFFICERS

1. Appointed Officers. At the first meeting of the Board after the election of Directors, the Directors shall appoint from among the Board, the President. The prior incumbent, if a member of the Board, shall continue to hold office until after the election at such meeting and, in default of such election, shall continue to hold office after such meeting. In case the office of President becomes vacant at any time, such vacancy may be filled by the Board from among its members. The Board may also appoint a Secretary, One (1) or more Vice-Presidents, a General Manager, a Treasurer and such other officers as the Board may determine including one or more assistants to any of the officers so appointed. The officers so appointed, other than the President, may, but need not be, members of the Board. One person may hold more than one office and if the same person holds both the office of Secretary and the office of Treasurer, he may be known as the Secretary-Treasurer.

2. TERM OF OFFICE AND REMUNERATION In absence of a written

agreement to the contrary, the Board may remove at its pleasure any officer of the Corporation. The terms of employment and remuneration of the President and other officers appointed by it shall be settled from time to time by the Board.

3. PRESIDENT The President shall, when present, preside at all meetings of the Shareholders and of the Board and shall be charged with the general supervision of the business and affairs of the Corporation. Except when the Board has appointed a general manager or managing director, the President shall also have the powers and be charged with the duties of that office.

4. VICE - PRESIDENT During the absence or inability of the President his duties may be performed and his powers be exercised by the Vice-President, or if there are more than one, by the Vice-President in order of seniority (as determined by the Board) save that no Vice-President shall preside at a meeting of the Board or at a meeting of Shareholders who is not qualified to attend the meeting as a Director, as the case may be. If a Vice-President exercises any duty or power, the absence or inability of the President shall be presumed with reference thereto. A Vice-President shall perform such duties and exercise such powers as the President may from time to time delegate to him or the Board may prescribe.

5. GENERAL MANAGER The General Manager, if one be appointed, shall have the general management and direction, subject to the authority of the Board and the supervision of the President, of the Corporation's business and affairs and the power to appoint and remove any and all officers, employees and agents of the Corporation not elected or appointed directly by the Board and to settle the terms of their employment and remuneration. If and so long as the general manager is a Director he may but need not be known as the managing director.

6. SECRETARY The Secretary shall give, or cause to be given, all notices required to be given to Shareholders, Directors, auditors and members of committees; he shall attend all meetings of the Directors and of the Shareholders

and shall enter or cause to be entered in books kept for that purpose minutes of all proceedings at such meetings; he may be the custodian of the stamp or mechanical device generally used for affixing the corporate seal of the Corporation and of all books, papers, records, documents and other instruments belonging to the Corporation; and he shall perform such other duties as may from time to time be prescribed by the Board.

7. TREASURER The Treasurer shall keep full and accurate books of account in which shall be recorded all receipts and disbursements of the Corporation and, under the direction of the Board, shall control the deposit of money, the safekeeping of securities and the disbursements of the funds of the Corporation; he shall render to the Board at the meetings thereof, or whenever required of him an account of all his transactions as Treasurer and of the financial position of the Corporation; and he shall perform such other duties as may from time to time be prescribed by the Board.

8. OTHER OFFICERS The duties of all other officers of the Corporation shall be such as the terms of their engagement call for or the Board requires of them. Any of the powers and duties of an officer to whom an assistant has been appointed may be exercised and performed by such assistant, unless the Board otherwise directs.

9. VARIATION OF DUTIES From time to time the Board may vary, add to or limit the powers and duties of any officer or officers.

10. AGENTS AND ATTORNEYS The Board shall have power from time to time to appoint agents or attorneys for the Corporation in or out of New Brunswick with such powers of management or otherwise (including the power to sub-delegate) as may be thought fit.

11. FIDELITY BONDS The Board may require such officers, employees and agents of the Corporation as the Board deems advisable to furnish bonds for

the faithful discharge of their duties, in such form and with such surety as the Board may from time to time prescribe.

PART V  
SHARES

1. ALLOTMENT The Board may from time to time allot or grant options to purchase the whole or any part of the authorized and unissued shares in the Corporation including any shares created by an amendment to the Articles to such person or persons or class of persons as the Board shall by resolution determine.

2. PAYMENT OF COMMISSION The Directors acting in good faith and with a view to the best interest of the Corporation may authorize the Corporation to pay a commission to any person in consideration of his purchasing or agreeing to purchase shares of the Corporation from the Corporation or from any other person or procuring or agreeing to procure purchasers for any such shares.

3. SHARE CERTIFICATES Every Shareholder shall be entitled, in case of initial issuance without payment, and in the case of any subsequent transfer upon payment of a fee of not more than Three Dollars (\$3.00) to a share certificate stating the number and class of shares held by him as shown by the books of the Corporation. Share certificates shall be in such form or forms as the Board shall from time to time approve. Unless otherwise ordered by the Board, they shall be signed by the President or a Vice-President and by the Secretary or an assistant Secretary if either be appointed and need not be under

the corporate seal; provided that certificates representing shares in respect of which a transfer agent and registrar (which term shall include a branch transfer agent and registrar) have been appointed shall not be valid unless countersigned by or on behalf of such transfer agent and registrar. If authorized by resolution of the Board, the corporate seal of the Corporation and the signature of one of the signing officers, or in the case of share certificates representing shares in respect of which a transfer agent and registrar have been appointed, the signatures of both signing officers, may be printed, engraved, lithographed, or otherwise mechanically reproduced in facsimile upon share certificates and every such facsimile signature shall for all purposes be deemed to be the signature of the officer whose signature it reproduces and shall be valid notwithstanding that one or both of the officers whose signature (whether manual or facsimile) appears thereon no longer holds office at the date of issue or delivery of the certificate.

4. REPLACEMENT OF SHARE CERTIFICATES The Board may by resolution prescribe, either generally or in a particular case, reasonable conditions upon which a new share certificate may be issued in lieu of and upon cancellation of the share certificate which has become mutilated or in substitution for a certificate which has been lost, stolen or destroyed.

5. CENTRAL AND BRANCH REGISTERS The Corporation shall maintain a central share register and may from time to time maintain one or more branch registers. The Board may from time to time by resolution appoint or remove a registrar to keep the register of Shareholders and a transfer agent to keep the register of transfers and may also appoint or remove one or more branch registrars to keep branch registers of Shareholders and one or more branch transfer agents to keep branch registers of transfers. A registrar and transfer agent may but need not be the same individual or corporation.

6. TRANSFER OF SHARES Transfers of shares of the Corporation shall be transferable only on the register of transfers or on one of the branch registers of transfers kept by or for the Corporation in respect thereof upon

surrender of the share properly endorsed together with such additional assurance as the Corporation shall require and subject to the provisions of the Act and the restrictions on transfer set forth in the Articles.

7. DEALINGS WITH REGISTERED HOLDER The Corporation may, subject to the Act, treat as absolute owner of the share the person in whose name the share is registered in a share register as if that person had full legal capacity and authority to exercise all rights of ownership irrespective of any knowledge or notice to the contrary or any description in its records or on the share certificate indicating a pledge, a representative or fiduciary relationship, a reference to any other instrument or the rights of any other person.

8. JOINT HOLDERS If Two (2) or more persons are registered as joint holders of any security, any One (1) of such persons may give effectual receipts for the certificate in respect thereof and for any dividend, bonus, return of capital or other money payable or warrant issuable in respect of such security.

9. RECORD DATE The Directors may fix in advance a date preceding by not more than Fifty (50) days or by less than Twenty-One (21) days a record date for the determination of persons entitled to receive notice of a meeting of Shareholders and notice thereof shall be given in accordance with the provisions of the Act. The Directors may also fix in advance a date as the record date for determination of Shareholders entitled to receive payment of a dividend, or entitled to participate in a liquidation distribution.

PART VI  
SHAREHOLDERS

1. ANNUAL MEETINGS The annual Shareholders' Meeting shall be held, subject to the provisions of paragraph 18 of this Part, at such place within



New Brunswick as the Directors may determine or at such place outside New Brunswick as the Directors may determine and all the Shareholders entitled to vote at that meeting so agree at such time on such day in each year as the Directors may from time to time by resolution determine for the purpose of hearing and receiving the reports and statements required by the Act to be read and laid before the Shareholders at any annual meeting, electing directors, appointing, if necessary, the auditor and fixing or authorizing the Board to fix his remuneration and for the transaction of such other business as may properly be brought before the meeting.

2. SPECIAL MEETING The Board or the President or a Vice-President who is a Director shall have the power at any time to call a special Shareholders' Meeting to be held at such time and at such place within New Brunswick as the Directors may determine or at such place outside New Brunswick as the Directors may determine and all the Shareholders entitled to vote at that meeting so agree.

3. NOTICES No public notice or advertisement of any Shareholders' Meeting shall be required, but notice of the time and place of each such meeting shall be given not less than Twenty-One (21) days nor more than Fifty (50) days before the day on which the meeting is to be held, to the auditor, if any, the Directors and each Shareholder of record entitled to vote at the meeting. Notice of a Shareholders' Meeting shall state the nature of the business to be transacted in sufficient detail to permit the Shareholders to form a reasoned judgment thereon together with the text of any special resolution to be submitted to the meeting. A Shareholders' Meeting may be held at any time without notice if all the Shareholders entitled to vote thereat are present or represented by proxy and do not object to the holding of the meeting or those not so present or represented by proxy have waived notice, if all the Directors are present or have waived notice and if the auditor, if any, is present or has waived such notice.

4. REPORTS TO SHAREHOLDERS Subject to the provisions of the Act, a copy of the financial statements and a copy of the auditor's report, if any,

shall be sent to each Shareholder not less than Twenty-One (21) days or such shorter period as may be consented to by the Shareholder, before each annual Shareholders' Meeting or before the transaction of the annual business of the Corporation pursuant to paragraph 17 of this Part.

5. PERSONS ENTITLED TO BE PRESENT Persons entitled to attend a Shareholders' Meeting shall be those entitled to vote thereat, the auditor, if any, of the Corporation and others who although not entitled to vote are entitled or required under the provisions of the Act or By - Laws to be present at the meeting. Any other person may be admitted only on the invitation of the Chairman of the meeting or with the consent of the meeting.

6. QUORUM \_\_\_\_\_ persons present in person and each entitled to vote  
(insert number)  
 thereat shall constitute a quorum for the transaction of business at any Shareholders' Meeting.

7. RIGHT TO VOTE At each Shareholders' Meeting every shareholder shall be entitled to vote who is, subject to paragraph 9, Part V hereof entered on the books of the Corporation as a holder of One (1) or more shares carrying the right to vote at such meeting or where a record date has not been fixed, satisfactory evidence is produced not later than Ten (10) days before the meeting that such person owns shares in the Corporation and demands that his name be included on the list of shareholders entitled to vote at the meeting; save that, if the share or shares in question have been mortgaged or hypothecated, the person who mortgaged or hypothecated such share or shares, or his proxy, may nevertheless represent the shares at meetings and vote in respect thereof unless in the instrument creating the mortgage or hypothec he has expressly empowered the holder of such mortgage or hypothec to vote thereon, in which case such holder, or his proxy, may attend meetings to vote in respect of such shares upon filing with the Secretary of the meeting sufficient proof of the terms of such

instrument.

8. REPRESENTATIVES An executor, administrator, committee of a mentally incompetent person, guardian or trustee and where a corporation is such executor, administrator, committee, guardian or trustee of a testator, intestate, mentally incompetent person, ward or cestui que trust, any person duly appointed a proxy for such corporation, upon filing with the Secretary of the meeting sufficient proof of his appointment, shall represent the shares in his or its hands at all Shareholders' Meetings and may vote accordingly as a Shareholder in the same manner and to the same extent as the Shareholder of record. If there be more than one executor, administrator, committee, guardian or trustee, the provisions of paragraph 10, of this Part shall apply.

9. PROXIES Every Shareholder, including a corporate shareholder, entitled to vote at Shareholders' Meetings may by instrument in writing appoint a proxy, who need not be a Shareholder, to attend and act at the meeting in the same manner, to the same extent and with the same power as if the Shareholder were present at the meeting in the manner, to the extent and with the power conferred by the proxy. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney, authorized in writing, or if the appointer is a corporation, under the corporate seal or under the hand of an officer or attorney, authorized in writing, and shall cease to be valid after the expiration of One (1) year from the date thereof. The instrument appointing a proxy may be in such form as the Directors may from time to time prescribe or in such other form as the Chairman of the meeting may accept as sufficient, and shall be deposited with the Secretary of the meeting before any vote is cast under its authority, or at such earlier time and in such manner as the Board may prescribe in accordance with the Act.

10. JOINT SHAREHOLDERS If shares are held jointly by Two (2) or more persons, any One (1) of them present or represented by proxy at a Shareholders' Meeting may, in the absence of the other or others vote thereon,

but if more than one of them are present or represented by proxy they shall vote together as One (1) on the shares jointly held by them.

11. SCRUTINEERS At each Shareholders' Meeting One (1) or more scrutineers may be appointed by a resolution of the meeting or by the Chairman with the consent of the meeting to serve at the meeting. Such scrutineers need not be Shareholders.

12. VOTES TO GOVERN At all Shareholders' Meetings every question shall, unless otherwise required by the Articles or By - Laws or by law, be decided by the majority of the votes duly cast on the question.

13. SHOW OF HANDS At all Shareholders' Meetings every question shall be decided by a show of hands unless a poll thereon be required by the Chairman or be demanded by any Shareholder present or represented by proxy and entitled to vote. Upon a show of hands every Shareholder present in person and entitled to vote shall have one vote, but the Shareholder represented by proxy shall have no vote. After a show of hands has been taken upon any question the Chairman may require or any Shareholder present in person or represented by proxy and entitled to vote may demand a poll thereon. Whenever a vote by show of hands shall have been taken upon a question, unless a poll thereon be so required or demanded, a declaration by the Chairman of the meeting that the vote upon the question has been carried or carried by a particular majority or not carried and an entry to that effect in the minutes of the proceedings at the meeting shall be *prima facie* evidence of the fact without proof of the number or proportions of the votes recorded in favour of or against any resolution or other proceeding in respect of the said question, and the result of the vote so taken shall be the decision of the Corporation upon the question at annual or special meetings, as the case may be. A demand for a poll may be withdrawn at any time prior to the taking of the poll.

14. POLLS If a poll be required by the Chairman of the meeting or be

duly demanded by any Shareholder and the demand be not withdrawn, a poll upon the question shall be taken in such a manner as the Chairman of the meeting shall direct. Upon a poll each Shareholder who is present in person or represented by proxy shall be entitled to One (1) vote for each share in respect of which he is entitled to vote at the meeting and the result of the poll shall be the decision of the Corporation upon the question at annual or special meetings, as the case may be.

15. CASTING VOTE In case of an equality of votes at any Shareholders' Meeting, either upon a show of hands or upon a poll, the Chairman of the meeting shall be entitled to a second or casting vote.

16. ADJOURNMENT The Chairman of a Shareholders' Meeting may, with the consent of the meeting and subject to such conditions as the meeting may decide, adjourn the meeting from time to time and from place to place.

17. TRANSACTION OF BUSINESS BY SIGNATURE Subject to the provisions of the Act, a resolution in writing signed by all the Shareholders entitled to vote on that resolution at a Shareholders' Meeting and a resolution in writing dealing with all matters required by the Act to be dealt with at a Shareholders' Meeting and signed by all the Shareholders entitled to vote at that meeting are as valid and effective as if passed at a meeting of the Shareholders duly called, constituted and held for that purpose.

18. ONE SHAREHOLDER Where the Corporation has only One (1) Shareholder, all business which the Corporation may transact at a Shareholders' Meeting shall be transacted in the manner provided for in paragraph 17 of this Part.

19. DIVIDENDS The Directors may from time to time declare dividends payable to Shareholders according to their respective rights and interests in the Corporation. A dividend payable in cash shall be paid by cheque drawn on the Corporation's bankers or one of them to the order of each registered holder of shares of the class in respect of which it has been declared and mailed by ordinary

mail, postage prepaid, to such registered holder at his last address appearing on the books of the Corporation. In the case of joint holders the cheque shall, unless such joint holders otherwise direct, be made payable to the order of all of such joint holders and if more than one address appears on the books of the Corporation in respect of such joint holding the cheque shall be mailed to the first address so appearing. The mailing of such cheque as aforesaid shall satisfy and discharge all liability for the dividend to the extent of the sum represented thereby, unless such cheque be not paid at par on due presentation. In the event of non-receipt of any cheques for dividends by the person to whom it is so sent as aforesaid, the Corporation on proof of such non-receipt and upon satisfactory indemnity being given to it, shall issue to such person a replacement cheque for a like amount.

PART VII

NOTICES

1. METHOD OF GIVING Any notice, communication or other document to be given by the Corporation to a Shareholder, Director, officer, or auditor of the Corporation under any provision of the Articles or By - Laws shall be sufficiently given if delivered personally to the person to whom it is to be given or if delivered to his last address as recorded in the books of the Corporation or if mailed by prepaid ordinary or air mail in a sealed envelope addressed to him at his last address as recorded in the books of the Corporation or if sent by means of wire or wireless or any other form of transmitted or recorded communication. The Secretary may change the address on the books of the Corporation of any Shareholder in accordance with any information believed by him to be reliable. A notice, communication or document so delivered shall be deemed to have been given when it is delivered personally or at the address aforesaid; and a notice, communication or document so mailed shall be deemed to have been given when deposited in a post office or public letter box; and a

notice sent by any means of wire or wireless or any other form of transmitted or recorded communication shall be deemed to have been given when delivered to the appropriate communication company or agency or its representative for dispatch.

2. COMPUTATION OF TIME In computing the date when notice must be given under any provision of the Articles or By - Laws requiring a specified number of days' notice of any meeting or other event, the date of giving the notice and the date of the meeting or other event shall be excluded.

3. OMISSIONS AND ERRORS The accidental omission to give any notice to any Shareholder, Director, officer or auditor or any error in any notice not effecting the substance thereof shall not invalidate any action taken at any meeting held pursuant to such notice or otherwise founded thereon.

4. NOTICE TO JOINT SHAREHOLDERS All notices with respect to any shares registered in more than one name may if more than one address appears on the books of the Corporation in respect of such joint holding, be given to such joint Shareholders at the first address so appearing, and notice so given shall be sufficient notice to all the holders of such shares.

5. PERSONS ENTITLED BY DEATH OR OPERATION OF LAW  
Every person who by operation of law, transfer, death of a Shareholder or by any means whatsoever, shall become entitled to any share or shares, shall be bound by every notice in respect of such share or shares which shall have been duly given to the person from whom he derives his title to such share or shares, previously to his name and address being entered on the books of the Corporation, whether it be before or after the happening of the event of the event upon which he became entitled.

6. WAIVER OF NOTICE Any Shareholder, or his duly appointed proxy, Director, officer or auditor may waive any notice required to be given under any provision of the Articles or By - Laws of the Corporation or of the Act, and such waiver, whether given before or after the meeting or other event of which notice

is required to be given, shall cure any default in giving such notice.

PASSED the \_\_\_\_\_ day of \_\_\_\_\_, 2 .

WITNESS the signature of the Corporation.

\_\_\_\_\_  
\_\_\_\_\_



BY - LAW NO. 2

A BY - LAW RESPECTING THE BORROWING OF  
MONEY, THE ISSUING OF DEBT OBLIGATIONS  
AND THE SECURING OF LIABILITIES BY

-----  
(insert company name)

BE IT ENACTED as a by - law of

-----  
(insert company name)

the Corporation as follows:

The Directors of the Corporation may from time to time:

- (a) borrow money upon the credit of the Corporation;
- (b) issue, reissue, sell or pledge debt obligations of the Corporation;

and

- (c) to secure any debt obligation of the Corporation, mortgage, hypothecate, pledge or otherwise create a security interest in all or any property of the Corporation.

PASSED the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ .

WITNESS the signature of the Corporation.

\_\_\_\_\_  
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